



Measuring

the Value of Utah's Job Matching System

Although DWS' share of the market can't be separated from the hidden job market, the DWS job matching system exhibits a measureable impact on hiring.

One of the services Utah's Department of Workforce Services (DWS) provides to employers is a no-cost, web-based job matching system. This system, in the simplest terms, allows employers to recruit for new workers through an online service (at <http://jobs.utah.gov/>). The system then searches registered applicants and presents to the employer a list of job seekers matching their criteria. Employers may interview and select from the referrals provided. A long-standing question has been how to measure the value of the job matching system in relation to the overall labor economy.

DWS' Workforce Research and Analysis Division (WRA) recently developed an innovative method to measure the real market share of this activity. The challenge has been the limitation of traditional micro-data to identify the actual universe of new hiring activity in the labor market. In order to know the impact of the public job matching system, it is necessary to know which employers are hiring and to match those employers to the DWS job matching system.

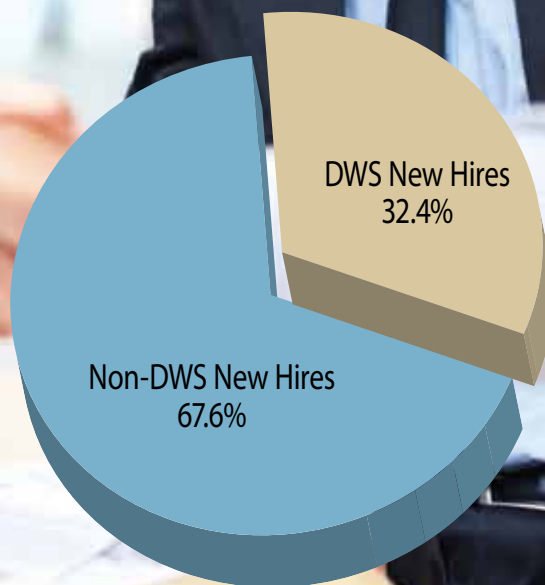
The DWS Unemployment Insurance Division (UI) receives quarterly reports from each employer in Utah listing all of their employees. WRA determines the total market of hiring employers during a given quarter by looking at all of the relationships between an establishment and its employees, comparing those relationships against the reports from the previous four quarters, and eliminating any previous relationships to identify only those that are new. This comparison provides the actual number of employers that added a new employee—as well as the total number of new workers. For the quarter ending

December 31, 2011, Utah's labor market observed 22,465 hiring employers with 169,984 new hires. WRA then compares individual hiring employers and new hires to the job matching system.

Linking the identified hiring employers in the quarter to those employers that also posted jobs into the DWS job matching system, the market share of hiring employers was 16.1 percent for the last quarter of 2011. It should be noted that many of the state's largest employers are among those served through DWS. For example, the job matching system contains positions for more than 50 percent of Utah businesses with 500 or more employees.

Similarly, linking the identified newly hired employees to the population of job seekers using the DWS job matching system shows a market share of new hires equal to 32.4 percent during the fourth quarter of 2011.

These measures represent a significant breakthrough in how to evaluate the effectiveness of the public job matching system. Results thus far show a significant impact. This is especially true when taking into account the effect of the hidden job market. The hidden job market is composed of those unadvertised vacancies that are filled through family, friends, and other professional networking. Many studies suggest the hidden job market is at least half of all new jobs. While we cannot separate DWS' share of the market from that of the hidden job market, we can state that the DWS job matching system exhibits a measureable impact on hiring activity in Utah's economy. ①



DWS Market Share
of New Hires